

**Washington State Ferries**  
**Quarterly Business and Financial Update**

Briefing Paper  
Prepared for the March 2004  
Transportation Commission Meeting

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**PURPOSE:**

To provide an update on the current business operations and financial performance of Washington State Ferries (WSF) for the quarter ended December 31, 2003.

**ACTION/OUTCOME:**

This briefing is for information only and no action will be required of the Commission.

**BACKGROUND:**

The Commission has approved a strategic business plan for WSF that provides a balanced approach for bringing long-term financial viability to WSF operations, and a capital plan that will provide for the timely replacement, preservation and modernization of WSF assets. The successful implementation of these plans was encouraged and assisted by the Legislature, which passed enabling legislation and funding for WSF during the 2003 session.

**DISCUSSION:**

WSF will report on the current status and financial results of implementing these strategic operating and capital plans. The briefing will provide a comprehensive review of current issues including the following topics:

- A financial report of our operating and capital expenditures for the quarter ended December 31, 2003 compared to budget.
- Recent farebox revenue and ridership trends, including updated revenue forecasts.
- Current status on implementing new revenue initiatives including the RFP for new food concessions, redevelopment of Pier 52 in Seattle, advertising and parking lots.
- WSF efforts and success in securing federal funds as a new source of revenue.
- Current status on the revenue collection system and smart card project.
- Tariff policy issues and commercial discounts.
- The 2003 report by the State Auditor.
- A review of the 2004 Legislative session.

**RECOMMENDATION:**

This briefing is for information only.

For further information contact Sam Kuntz, CFO, Washington State Ferries at 206-515-3403.